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C O N F I D E N T I A L SECTION 01 OF 04 DHAKA 001207

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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [BG](#)
SUBJECT: AT 180 DAYS, A REPORT CARD ON BANGLADESH'S INTERIM
GOVERNMENT

REF: A. DHAKA 1153
[1](#)B. DHAKA 984
[1](#)C. DHAKA 951
[1](#)D. DHAKA 909
[1](#)E. DHAKA 982
[1](#)F. DHAKA 1068
[1](#)G. DHAKA 1161
[1](#)H. DHAKA 894
[1](#)I. DHAKA 1155

Classified By: Charge d'Affaires a.i. Geeta Pasi, reason 1.4(d)

[1](#)1. (C) SUMMARY. After 180 days in power, the interim government installed after the January 11 declaration of a state of emergency remains popular. It has racked up a series of accomplishments and corrected initial excesses, particularly in the area of human rights. The Election Commission has unveiled a "roadmap" for parliamentary elections by December 2008 and the economy remains robust. There are, however, concerns the government may have been too hasty in arresting former Prime Minister Sheikh Hasina, and questions remain about the possible motivations of the Army Chief of Staff. END SUMMARY.

GOVERNMENT POPULARITY STILL STRONG
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[1](#)2. (SBU) According to a survey by the Asia Foundation in early July, confidence in the caretaker government resurged after dropping throughout April and May. The poll indicates that the population remains broadly supportive of the government, with almost 80 percent of those polled saying they had high or reasonable confidence in the government. Those polled attributed their confidence primarily to the improved law and order situation and to the anti-corruption drive. The main concerns -- expressed by over 60 percent of those surveyed -- were the rising prices of essential commodities, particularly food, fuel, and utilities.

PROGRESS ON ELECTORAL ISSUES
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[1](#)3. (C) On July 15, Bangladesh's Election Commission (EC) unveiled its "roadmap," with local elections taking place as soon as early 2008 and national elections complete by the end of December 2008 (Reftel A). With assistance from the United Nations Development Program and international donors, the EC has launched a new voter registration effort aimed at correcting serious problems in the previous voter lists by producing, as an end-goal, a voter list with photographs. Registration will be conducted according to a staggered schedule, with more problematic regions (i.e., those with a

history of electoral violence or corruption) being completed first.

¶4. (C) The EC is also preparing an electoral reform plan which will require parties to register and disclose their finances. Because of the ban on politics imposed by the government -- a ban the Chief Election Commissioner has criticized publicly -- the EC has been unable to meet with parties to discuss the reforms. The EC has, however, held numerous meetings with civil society groups and anticipates a partial lifting of the ban by this August or September (Reftel B).

IMPROVEMENT OVER THE PREVIOUS GOVERNMENT ON HUMAN RIGHTS
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¶5. (SBU) Data from respected Bangladesh human rights organization Odhikar shows that several human rights indicators have improved under the current government, compared to the previous one. In the first six months of 2007, there were a total of 121 deaths caused by law enforcement personnel overall. This represents a 27 percent drop compared to the first six months of 2006 when the Bangladesh Nationalist Party (BNP)-led coalition was in power. Compared to January-June 2006, Rapid Action Battalion extra-judicial ("cross-fire") deaths in 2007 have dropped by 16 percent and deaths by police by 64 percent. On the negative side, 17 deaths have been attributed to the military (mostly "deaths in custody") this year, as compared to zero in 2006. (NOTE. The decrease in police and increase in military related deaths in custody may be a reflection of the military Joint Forces replacing the police in regular police work during the State of Emergency, rather than a sudden

DHAKA 00001207 002 OF 004

change in either organization's approach to human rights. Nevertheless, the overall drop in deaths is notable. END NOTE.)

¶6. (C) While the government has committed itself to investigating custodial deaths, it has yet publicly to demonstrate serious disciplinary action against any officer in a custodial death case. Dissatisfied with the initial military investigation into the death of a Garo activist in mid-March, the Chief Advisor informed the Ambassador in May he had appointed a magistrate to conduct an independent inquiry (Reftel C). Military sources have now informed us that an Army Major involved in the incident is currently facing court martial proceedings. We continue to urge the government to complete and disclose the findings of the inquiry publicly.

JOURNALISTS SAY PRESSURE IS EASING
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¶7. (C) Several newspaper editors told the Charge d'Affaires on July 22 that pressure against journalists has eased and military interference in their coverage is reduced, particularly since late May. Officers from the Directorate General Forces Intelligence (DGFI), a military intelligence agency, were not contacting the editors as frequently with "guidance" (though it still happens "from time to time"). The editors said the pressure on them in January and February has resulted in increased self-censorship, which has rendered strict DGFI oversight less necessary (Reftel D). Electronic media, however, still need to provide advance information on political programming. (NOTE. In May, the Ambassador responded to reports of intimidation of journalists by strongly urging DGFI to ease up. She also made several public statements calling on the government to respect press freedoms.)

¶8. (C) According to Odhikar, attacks on journalists have dropped over 60 percent this year from the same period in 2006. In the first six months of 2007, there were 105 reported attacks on journalists and media offices, including

15 injuries and 10 assaults. For the same period in 2006, there were more than twice as many attacks -- 270 -- including 114 injuries and 13 assaults. Also, the number of legal cases filed against journalists in 2007 is significantly down. So far, only 12 cases have been filed against journalists this year, compared to 69 in 2006.

CLARIFICATION ON ARREST AND PRISON STATISTICS =====

¶9. (C) In its most recent report, Odhikar clarified prison population and arrest statistics. According to the organization, there have been 286,000 arrests in the past six months, covering all offences (ranging from petty crime and extortion to murder). Statistics for the first six months of 2006 are not available, but the Bangladesh Society for the Enforcement of Human Rights (BSEHR), which conducts prison visits, has estimated the number of arrests so far this year is 15 percent higher than the same period in 2006.

¶10. (C) The total number of people either in prison or in jail awaiting trial today is approximately 88,000, up 22 percent from end 2006. According to Home Ministry officials and BSEHR, the vast majority of those arrested were detained for short (if any) periods after paying a fine or having their case dismissed (Reftel E). According to Odhikar, the inability of the government to track minor cases in a comprehensive manner or provide data on cases that have been dismissed with administrative penalties has resulted in inaccurate media reports that hundreds of thousands of people are still being detained.

SIGNS OF STRONG GROWTH IN THE ECONOMY =====

¶11. (C) The World Bank and International Monetary Fund (IMF) have credited the interim government for effective economic stewardship over the past six months. The IMF estimated Bangladesh's economic growth rate for January-June 2007 at between 6.5 and seven percent, up from six percent in 2006 and the strongest growth the country has seen in several years. The consensus among economic forecasters is for continued growth. Macroeconomic policies are being brought back under control after distortion in the closing days of

DHAKA 00001207 003 OF 004

the last government. The interim government released a FY 2007-2008 budget which both the domestic and international communities have generally accepted as realistic. Inflation remains a problem, prompting the Central Bank to announce recently that it will tighten fiscal policy.

¶12. (C) The most pressing economic problems in the short term continue to be the high prices of essential food items and the shortfall in power production. The government has attributed at least part of the price rise to profit-gauging by cartels, something it has sought to curb via its anti-corruption drive. In response to chronic electricity shortages, the government has begun issuing new tenders and initial approvals for small power plants.

¶13. (C) One of the most significant successes of the interim government has been imposing order and efficiency on the Chittagong Port. According to business leaders and Port officials, the turn-around time for cargo to clear the port has dropped from over eight days to just three, and the price per ton for goods going from Chittagong to Singapore has been halved. The chronic work stoppages resulting from political unrest are no longer an issue, and the Port authority has cracked down on opportunities for corruption by stopping practices such as unlimited storage of containers on port premises (Reftel F).

¶14. (C) The long term economic picture is clouded by a wait-and-see attitude of many investors. Established investments are benefiting from the political stability in

the country, but several large new investment projects, such as the Asia Energy coal mine at Phulbari and Tata's US\$3 billion gas exploration proposal, are on hold pending policy decisions by the government, and others, such as the purchase of Rupali bank are now delayed. Business leaders have told us investors view these projects as bellwethers for future foreign direct investments.

STRENGTHS AND WEAKNESSES MANIFEST IN LEGAL SYSTEM =====

¶15. (C) With the July 16 arrest of Awami League president Sheikh Hasina and the rumored imminent arrest of BNP leader Khaleda Zia -- the "minus-two" strategy of removing both ladies from politics has entered a new phase. Since the botched attempt by the government and military to exile the two ladies in April, government investigators have been building corruption cases against both former prime ministers.

¶16. (C) According to government sources, these investigators carefully followed legal procedures regarding Hasina's arrest. She was not charged under the Special Powers Act, but was specifically charged in a bribery case involving a power plant constructed when she was prime minister (Reftel G). She is being accommodated in a special jail in the official residence of the Deputy Speaker of Parliament, and is permitted access to her lawyers and visitors. Under Speedy Court rules, the trial must take place within 45 days (with an optional 15 extra days if required). So far, protests regarding Hasina's arrest have been minimal.

¶17. (C) The government reports approximately 200-300 high-level officials are currently being held on various charges, mostly involving corruption but also including murder and incitement to violence. Only a handful of cases have been tried and sentences meted out. Most involved cases of corruption, extortion, and failure to disclose financial assets. Some cases appear contrived. In one, a businessman with links to the BNP was sentenced for not handing in his financial disclosure form in time, although evidence strongly suggests he was could not meet the deadline because he was being held in secret detention (Reftel H). (He was subsequently sentenced on other corruption charges as well.) Another prominent case, however, ended in a five-year sentence on the dubious charge of alcohol possession. Several more serious charges are working their way through the Anti-Corruption Speedy Court system now, including allegations that former BNP Communications Minister Nazrul Huda and his wife, UN Special Anti-Trafficking Rapporteur Sigma Huda, received kickbacks from the sale of government land during the last government (Reftel I).

¶18. (C) Due process remains the greatest concern surrounding these trials. When asked by BBC how the government was

DHAKA 00001207 004 OF 004

guaranteeing the rights of the accused, Anti-Corruption Commission (ACC) Chair Lt Gen (retd) Hasan Mashud Chowdhury asked "who has guaranteed the rights of the Bangladeshi people who have been robbed all these years?" In spite of the rhetoric, though, prosecutors and ACC officials tell us their capacity is increasing and cases are slowly being built. The process is made difficult by the lack of forensic accountants and by breaking new ground in attempting to build clear cases against high profile defendants.

A CONFUSING POLITICAL PICTURE =====

¶19. (C) Persistent questions remain about who is calling the shots - Army Chief of Staff General Moeen U. Ahmed or Chief Advisor Fakrhuddin Ahmed. Moeen pulled back from center stage in April after a widely criticized political speech, but recently, he has returned to public speaking. In early July he gave two speeches on corruption and the joint

government-military agenda, but according to Foreign Advisor Iftekhar Chowdhury, the advisors were not consulted or even informed before Moeen gave these speeches. Moeen, however, continues to tell us he harbors no political ambitions, and that the military does not want to be involved in politics.

¶20. (C) Efforts to create a new, so-called "king's party" continue, although most people we have spoken to are skeptical it will take off. Until Hasina's arrest, the main political focus was on how the two main political parties would reform themselves. Since the arrest, Awami League reformers have been laying low while the BNP reformers have moved closer to calling a national council, something Zia is stridently resisting.

COMMENT
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¶21. (C) The picture in Bangladesh remains fluid. The government has made admirable progress on a number of fronts: electoral reform and voter registration, the economy, and human rights (although some abuses persist). There are also areas of serious concern. The government may be able to win legal cases against the "two ladies," but as long as it appears disorganized and cannot effectively communicate its message (either to the people or to the media), it risks losing in the court of public opinion. The Chief Advisor's unwillingness, or inability, to take on a more political role, will continue to create space which Moeen appears prepared to fill. In short, a great deal hinges on the next few major actions by the interim government: how it manages the cases against Hasina and Zia; whether planning for elections proceeds according to the roadmap; and whether the civilian government, its honeymoon now over, can earn the trust of the people in its own right, and begin communicating more effectively with the people.
PASI